

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORKU.S SECURITIES & EXCHANGE  
COMMISSION,

Plaintiff

-against-

SPONGETECH DELIVERY SYSTEMS, INC.,  
RM ENTERPRISES INTERNATIONAL, INC.,  
STEVEN MOSKOWITZ, GEORGE  
SPERANZA, JOEL PENSLEY, JACK  
HALPERIN, and MICHAEL METTER

Defendants.

Index No. 1:10-CV-02031-DLI-JMA

**AFFIDAVIT OF MICHAEL METTER**

Defendant Michael E. Metter respectfully submits this verified accounting as required by the Courts' March 14, 2011 and April 4, 2011 Orders (the "Orders").

1. Set forth below are all current assets, liabilities and property currently held, directly or indirectly, by or for my benefit, including, without limitation, bank accounts, brokerage accounts, investments, business interests, loan, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current location and amount. For purposes of this affidavit, I have included assets held by me, those held jointly with my wife, and those held by my wife, but I do not claim that I have ownership or control of my wife's assets.

Asset	Amount	Location	Notes
Home at 1 Tinker Lane, acquired 7/24/95	1,548,610 (2010 appraisal)	1 Tinker Lane	Jointly held
Boat	Presently for sale for \$329,000	Stamford Landing Marina	Jointly held

Metter bank account	6,057	Patriot National Bank	
"Designated" Metter bank account	~ 4,000	First Bank of Greenwich	
Auto/2007 Mercedes	Presently for sale for \$30,000	1 Tinker Lane	
Auto/2002 Range Rover	~ 8,000	1 Tinker Lane	Jointly held
Metter 401K	133,161	ADP	
Metter brokerage	~ 0 (including 2.165 million SPNG)	Ladenburg Thalman	
Tiburon brokerage	0	BMA Securities	
Tiburon Capital brokerage	0	UBS	
8,583,676 shares of BusinessTalkRadio			9.6% ownership interest in BusinessTalkRadio
<b>Deborah Lanava Assets</b>			
DL Investment/brokerage account (Deborah Lanava)	0 (including 2 million SPNG)	UBS	
DL Investment bank account (Deborah Lanava)	31	Wachovia	
Deborah Lanava bank account	20	Wachovia	
Deborah Lanava brokerage account	6000	BMA Securities	
Deborah Lanava bank account	224	Patriot Bank	
Deborah Lanava IRA	7609	PNC Bank	
TOTAL ASSETS	2,048,712.00		Includes home, assets jointly held, and assets of Deborah Lanava but without a valuation of BTR
Liabilities			
Home Mortgage	2,099,000	Citibank Mortgage	Jointly held. Currently 1 month behind on mortgage

			payment
Loan Balance (boat)	268,000	Wells Fargo	
Visa	3,609		
Citibank credit card	28,512		Jointly held
Bank of America credit card	24,000		Jointly held
Taxes (state and federal)	11,000		
Loan (Mercedes)	28,000	J.P.Morgan Chase	
Loan (Range Rover)	8,000	J.P.Morgan Chase	
Auto lease	26,670		Deborah Lanava
Medical	2,642		
TOTAL LIABILITIES	2,499,433.00		Includes Metter and joint obligations
NET	-450,721.00		

2. Set forth below is all money, property, assets and income received by my wife or me, or for our direct or indirect benefit, during the period January 1, 2007, through the date of this accounting. The entries below list certain gains and losses from the purchase and sale of securities; unless otherwise noted, those transactions do not involve purchases or sales of stock of Spongetech.

3. In addition to the amounts set forth below, there were also loans from Steven Moskowitz, the Moskowitz family, and/or RM Enterprises to BusinessTalkRadio. During the period 2008 and 2009, Mr. Moskowitz or a Moskowitz entity loaned a total of approximately \$180,000 to BTR. That loan was, until entry of the Court's order, being repaid by BTR at the rate of approximately \$5000 per month. At this point, those payments have been suspended in accordance with the agreement reached with the plaintiff.

4. Further, in or about 2009, Mr. Moskowitz and/or a Moskowitz entity loaned \$5 million loan to BTR.<sup>1</sup> That total amount of \$5 million was paid from RM Enterprises to counsel for BTR, which then transferred the funds to BTR's prior lender, Barker Capital. The \$5 million loan from RM Enterprises to BTR remains an outstanding obligation of BTR.

Source	Amount	Disposition	Current location
<b>2007</b>			
Wages: Business Talk Radio	301,072	Used for expenses	Disbursed
Wages: Hilfiger (Deborah Lanava)	29,817	Used for expenses	Disbursed
Consulting income: Western Power & Equipment Corp.	11,000	Used for expenses	Disbursed
Capital Loss S corp. DL Investment	(17,965)		Includes SPNG stock deposited/acquired 4-11/07 in DL Investments and sales of SPNG
Capital Gain from trading @ Morgan Stanley	18,091	Used for expenses	Disbursed
Capital Loss Tiburon Capital	(700)		Includes sales of 50,000 shares of SPNG in 4-5/07 for 9,144
Refinance of 1 Tinker Lane	1,973	Used for expenses	Disbursed
200,000 shares BusinessTalkRadio stock (Director's Fee)			Held
<b>2008</b>			
Wages: BusinessTalk Radio	305,706	Used for expenses	Disbursed
Wages: Hilfiger (Deborah Lanava)	33,756	Used for expenses	Disbursed
366,667 share grant from BusinessTalkRadio including Director's Fee			Held

<sup>1</sup> BTR also received Spongetech stock in connection with its agreement to provide advertising for Spongetech.

Consulting income: Western Power	9,000	Used for expenses	Disbursed
Consulting income received from RM Enterprises for Flo Weinberg (Deborah Lanava)	125,000	Used for expenses	Disbursed
Capital gain securities trading (Ladenburg and Westminster Trading)	18,528	Received in brokerage accounts	Includes shares of SPNG purchased 1-4/08 and 2.165 deposited
Capital Loss S Corp. DL Investments	(136,461)		
Capital Loss S Corp. Tiburon Capital	(625)		
Ladenburg dividend	20	Received in account	Disbursed
<b>2009</b>			
Wages: BusinessTalk Radio	196,000	Used for expenses	Disbursed
Wages: (Deborah Lanava) Hilfiger	32,281	Used for expenses	Disbursed
150,000 shares BusinessTalkRadio Director's Fee			Held
DL Investments S Corp Gain	84,216	Used for expenses	Disbursed
DL Investments S Corp. consulting revenue	12,294	Used for expenses	Disbursed
Loans from RM Enterprises to Tiburon <sup>2</sup>	230,000	Secured by Vanity founder stock	Disbursed
Transfers from RM Enterprises to Tiburon	115,000	Buyback of SPNG stock (February-March 2009)	Trades reversed 3/16/09~ for loss of ~ 3,000
Transfer from RM Enterprises to Tiburon for BTR loan	70,000		Disbursed to BTR

<sup>2</sup> In 2009, I intended to sell founder's stock that I received in a company operated by Mr. Moskowitz, Vanity Events, in order to pay amounts toward my children's college tuition. I had discussed with Mr. Moskowitz that I intended to sell the stock, and he suggested that I instead receive a loan from him with the Vanity stock as security, while he attempted to arrange for a private sale of the stock. I agreed, he loaned me a total of approximately \$112,000, and the Vanity stock was transferred to Moskowitz.



Loan to DL Investment from RM Enterprises	21,500	Loan secured by Vanity founder stock	Disbursed
Capital loss S Corp.	(650)	Tiburon Capital	
<b>2010</b>			
Wages BusinessTalk Radio	215,000	Used for expenses	Disbursed
Wages Hilfiger (Deborah Lanava)	37,000	Used for expenses	Disbursed
Consulting income	~ 14,000		
<b>2011 (YTD)</b>			
Wages BusinessTalk Radio	64,723	Including deferred income from 2010	Disbursed and frozen
Wages Hilfiger (Deborah Lanava)	10,307	Used for expenses	Disbursed
DL investment consulting revenue (Gramercy)	4,776	Used for expenses	Disbursed

4. There are no individuals or entities holding the assets, funds or property of my wife or me except to the extent that we maintain bank and brokerage accounts as listed above.

5. There are no individuals or entities who provided assets, funds, securities, or real or personal property to me in exchange for shares of Spongetech stock.

6. As confirmed in the prior accounting, I did not receive monetary compensation or payments from Spongetech except to the extent that I received reimbursement for travel to and expenses associated with an auto show. I did receive stock in relation to the services that I performed for Spongetech and I purchased stock in 2007 and 2009. I sold approximately 50,000 shares of that stock in 2007 for approximately \$9,000. I did not sell any other stock and, as of this date, I still hold 2.165 million shares in a Ladenburg brokerage account. I received other

Spongetech shares that I had not deposited; those share certificates were among the items that were seized by the Federal Bureau of Investigation.

7. DL Investments received stock from Spongetech for services rendered by my wife and it sold stock in 2007 for a total of approximately \$80,000. DL Investments also purchased stock and continues to hold that stock, totalling approximately 2 million shares of Spongetech.

8. This accounting is based in part on banking and brokerage statements that I was able to locate or obtain from the period 2007 through present. Some statements have not yet been received. To the extent that any additional information, related to these issues, is reflected in those statements, I will supplement this accounting as soon as practicable.

Dated: April 15, 2011

  
Michael Metter

Sworn to before me this 15th  
day of April 2011

  
